# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:881
ANSWERED ON:06.03.2007
EXPORT CREDIT GUARANTEE SCHEME
Bhadana Shri Avtar Singh

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether public sector banks are not financing outside sanctioned limits for export through banks covered by Export Credit Guarantee Scheme;

(b) if so, the reasons therefor;

(c) whether a number of export cases have not been taken up due to lack of finance by public sector banks to small scale pharma units;

(d) if so, the details thereof; and

(e) the reaction of the Government thereto?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (e) : Export Credit Guarantee Corporation of India Ltd.(ECGC) provides Export Credit Guarantee covers to commercial banks and financial institutions who grant working capital finance at the Pre shipment as well as Post shipment stage to Indian exporters. The Pre shipment and Post shipment export credit facilities are sanctioned by commercial banks as per their internal procedure and RBI guidelines. The availing of export credit guarantees is purely a decision of the bank and there are many commercial banks including Public Sector Banks who do not avail the Export Credit Guarantee covers for their export accounts. No specific instance has come to the notice relating to Public Sector Banks of not financing exports outside the sanctioned limits by ECGC Scheme.